CANADA-ALBERTA Crop Insurance

ALBERTA Hail Insurance

17th Annual Report

YEAR ENDED MARCH 31, 1985

ALBERTA HAIL AND CROP INSURANCE CORPORATION

Agriculture Canada

Alberta AGRICULTURE

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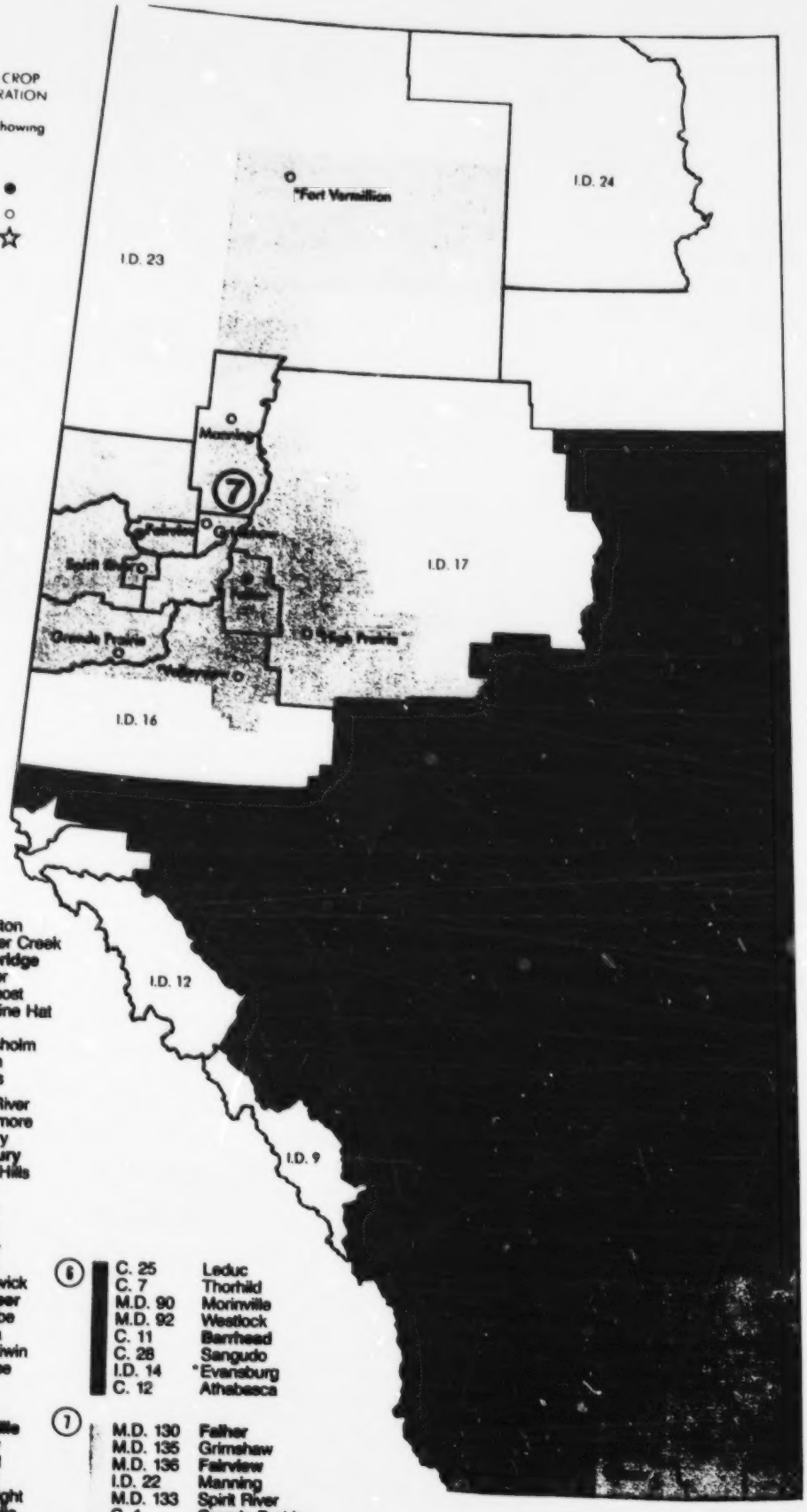


1

M.D. 6	*Cardston
M.D. 9	*Pincher Creek
C. 26	Lethbridge
C. 5	Warner
C. 8	Foremost
I.D. 1	Medicine Hat
M.D. 14	*Taber
M.D. 26	Claresholm
C. 2	Vulcan
C. 4	*Brooks

2

M.D. 31	High River
C. 16	Strathmore
M.D. 44	Calgary
C. 17	Didsbury
M.D. 48	Three Hills
S.A. 3	Oyen
S.A. 2	Hanna
M.D. 47	Morrin

4

C. 6	Stettler
C. 18	Castor
C. 29	Sedgewick
C. 23	Red Deer
C. 14	Lacombe
C. 3	Ponoka
C. 10	Wetaskiwin
C. 22	Camrose

5

C. 9	Ryley
C. 27	Vegreville
C. 24	Kitscoty
C. 19	*St. Paul
M.D. 52	Provost
M.D. 61	*Wainwright
M.D. 87	*Bonnyville
C. 13	*Smoky Lake
C. 21	Two Hills
C. 30	Lamont

6

C. 25	Leduc
C. 7	Thorhild
M.D. 90	Morinville
M.D. 92	Westlock
C. 11	Barrhead
C. 28	Sangudo
I.D. 14	*Evansburg
C. 12	Athabasca

7

M.D. 130	Falher
M.D. 135	Grimshaw
M.D. 136	Fairview
I.D. 22	Manning
M.D. 133	Spirit River
C. 1	Grande Prairie
I.D. 17	*High Prairie
I.D. 16	*Valleyview
I.D. 23	*Fort Vermilion

*These offices were open half-days only. Regional Offices in boldfaced type.
C. – County, M.D. – Municipal District, I.D. – Improvement District, S.A. – Special Area

BOARD OF DIRECTORS
JAMES P CHRISTIE, Chairman
ROBIN WALLACE, Vice Chairman
JAMES DAINES
ALBERT KOOY
JOHN LANGELIER
FRANK SCHWENGLER
GORDON STROMBERG, M L A
E A PATCHING, General Manager
J M McKAY, Executive Secretary to Board of Directors

CANADA · ALBERTA Crop Insurance

5718 56th AVENUE, BAG SERVICE NO. 16, LACOMBE, ALBERTA T0C 1S0 TELEPHONE 782-4661

August 30, 1985

The Honourable LeRoy Fjordbotten
Minister of Agriculture
418 Legislative Building
EDMONTON, Alberta
T5K 2B6

Sir:

I have the honour of submitting herewith the Seventeenth Annual Report of the Alberta Hail and Crop Insurance Corporation.

This report is submitted in accordance with Section 9 of the "Hail and Crop Insurance Act" being Chapter H-1 R.S.A. 1980 and contains a summary of operations and the audited financial statements for the fiscal year ending March 31, 1985.

I trust this report will be of interest to you.

Respectfully submitted,

James P. Christie
Chairman, Board of Directors
ALBERTA HAIL AND CROP
INSURANCE CORPORATION

Directors' Report

Fiscal Year Ending March 31, 1985

The Alberta Hail and Crop Insurance Corporation is a crown corporation of the Province of Alberta which was established under the authority of the Hail and Crop Insurance Act (1969) being Chapter H-1 R.S.A. 1980. This Act which became effective on April 1st, 1969 provided for the merger of the Alberta Hail Insurance Board and the Alberta Crop Insurance Corporation. Since the merger the Corporation has administered two separate insurance programs: Hail Insurance and "All-Risk" Crop Insurance.

The Alberta Hail and the Canada-Alberta crop insurance programs, although administered by one staff, have been operated quite separately. The need for this separation is apparent from the fact that the Hail Insurance program is self-sustaining and receives no government subsidies, whereas all administrative costs of the Crop Insurance program are paid by the Government of Alberta and, in addition, the Government of Canada pays one-half of the overall premium costs.

While administration and adjusting for both programs are carried out by the same employees, resulting in considerable operating efficiencies, a separate accounting of all expenses is kept for each plan. Wherever possible, expenses are allocated directly to each program. Unallocated costs are apportioned on the basis of the number of contracts in force in a given year. For the 1984-85 fiscal year, unallocated costs were shared on the basis of 25% to hail insurance and 75% to crop insurance.

Activities of the Board of Directors

In conducting the affairs of the Corporation the Directors held twelve regular monthly meetings. Nine of these meetings were held in Lacombe while the April (1984) and the February (1985) meetings were held in Lethbridge and the January (1985) meeting was held in Edmonton.

The April meeting in Lethbridge was called to discuss the problems peculiar to the insurance of crops grown under irrigation. Separate discussions were held with the irrigation farmers at large, the Sugar Beet Growers' Marketing Board, the Alberta Potato Commission and representatives of the sunflower growers.

The February meeting was also held in Lethbridge to consider the problems experienced by the irrigation farmers as a result of the drought of 1984. These problems had been particularly acute in the Lethbridge Northern Irrigation District where the water supply was restricted because of low run-off and limited storage capacity. Separate meetings were held with the irrigation specialists of Alberta Agriculture, the Fresh Vegetable Marketing Board and with those irrigation farmers who had appealed the assessment of their 1984 claims. A public meeting was also held at this time in Fort Macleod to discuss the problems relative to the Corporation's forage insurance program.

The January meeting was held in Edmonton so as to provide the Directors with the opportunity to attend portions of the Annual Meeting of Unifarm. It also provided the Directors with the opportunity to meet with the Honourable LeRoy Fjordbotten, Minister of Agriculture, where problems relative to the Corporation's insurance programs were discussed.

In addition to its regular and special meetings the Board was fully represented at the Western Regional Crop Insurance Conference in Calgary on June 28 and 29 which was hosted by the Corporation. This conference is convened annually to discuss crop insurance problems common to the four western provinces. In addition to routine matters the discussion at this particular conference was directed toward the consideration of a "Price Assurance Option" within the framework of the basic crop insurance program.

The Board of Directors was also represented at the North American Weather Modification Council Meeting in Red Deer on August 14 to 16. The discussions relative to cloud seeding to suppress hail and to increase snow-pack proved to be of exceptional interest to the Corporation's representatives.

The 1984-85 insurance season proved to be very demanding on the wisdom and energies of the Corporation's Directors and staff. The devastating losses inflicted upon the crops over a large portion of the province by drought, hail, grasshoppers, excessive moisture and early snow placed an almost unmanageable burden on the staff as well as a serious drain on the financial reserves of the Corporation. The extent of these losses will become evident in later portions of this report.

The Directors extend their appreciation to the Corporation's management and staff for an extraordinary effort under very difficult circumstances.

Regional and District Offices

In the 1984-85 fiscal year, the Corporation continued to operate service offices at fifty-three (53) centres in Alberta. Seven of these district offices were also designated as Regional Offices from which the affairs of the Corporation for the region were administered. These offices are listed on page 2 of this report.

Alberta Hail Insurance Program

The Hail Insurance Program offers farmers protection against crop loss caused by the single hazard of hail on all crops grown in Alberta. Most crops can be insured to the maximum of $125.00 per acre. This coverage is available to all farmers in Alberta and may be purchased singly or in addition to the coverage available under other crop insurance programs.

The 1984 Hail Insurance Season

Hail insurance sales in 1984 amounted to $254,794,517 of actual risk written with $15,992,212 of premium income being generated, which was slightly less than the business written in 1983 of $267,131,353 of risk and $15,983,238 of premium. This decrease was undoubtedly due to the unfavorable crop conditions which prevailed over southern Alberta and portions of the Peace River region.

In establishing premiums for the coming year rates were increased in 341 townships and decreased in 119 townships. These adjustments resulted in an increase in premium income of 3.31% when based on the business experience of the previous year. It also resulted in an increase in the average premium rate across the province from 5.98% to 6.28%.

Hail losses under this program in 1984 totalled $15,265,006 or 95.5% of the year's premium income, which is considerably greater than the long-term average annual experience of 75.89%. Hail was recorded on 50 days as compared to the 47-year average of 51 days. However, the storms of 1984 were in most cases more severe than in 1983. The adjusting staff inspected 2,025 claims under this program in 1984.

Premium Refund

Because of the unfavorable financial experience under the hail insurance program in 1984, which resulted in an overall deficit of $177,943, the Directors decided that no refund of premium could be made to those policyholders who had purchased hail insurance from the Corporation in 1984.

Reserves

The total reserves for hail insurance were decreased by $177,943 during the 1984-85 fiscal year to a revised total of $12,829,509.

Reinsurance Treaty

Negotiations were completed during the 1983-84 fiscal year for the purchase of a new and improved reinsurance treaty with Universal Reinsurance Intermediaries Ltd. This treaty became effective for the 1984 insurance season. Since the treaty calls for the reinsurance to cover losses beyond 100% of the "Gross Net Premium" no payment was received in 1984 as the total losses did not exceed this level.

Hail Insurance Agreement with the Eastern Irrigation District

The hail insurance agreement with the Eastern Irrigation District which had continued from 1974 to 1983 was discontinued in 1984. This action was taken by the Eastern Irrigation District as a cost-saving measure as it was bearing the full cost of this coverage.

Chronological Summary of Major Storms in Alberta in 1984

June 17 – Rockyford to Rosebud
June 18 – Benalto - Innisfail to Nevis
June 25 – Red Deer to Morrin
June 29 – Drayton Valley to Athabasca

July 5 – Peace River, Genesee to Bon Accord
July 6 – Edberg to Rosalind, Delia to Paradise Valley
July 12 – Barrhead to Bruderheim, Oyen
July 21 – Longview to Strathmore

Aug. 1 – Woking to Wanham
Aug. 2 – Galahad to Hughenden
Aug. 6 – Raven - Cremona to Provost
Aug. 7 – St. Paul
Aug. 11 – Wetaskiwin to Vegreville
Aug. 13 – Sedgewick to Marwayne
Aug. 17 – Grimshaw to High Prairie
Aug. 18 – Kipp to Chin, Maleb to Medicine Hat, Mundare to Elk Point
Aug. 19 – Three Hills to Hanna, Oyen
Aug. 22 – Spirit River, Beaverlodge
Aug. 24 – Alliance to Czar

Sept. 1 – Red Deer to Rosebud
Sept. 9 – Lethbridge

Canada-Alberta Crop Insurance Program

The Crop Insurance program is a plan which offers farmers a guarantee that regardless of the weather, they will receive a minimum return from their insured crops. It is intended to take much of the risk out of farming and to enable the farmer to plan ahead confident that his income in any year will not drop below a certain level. In most cases, the guarantee to an insured is closely related to his costs of production.

The Crop Insurance program provides protection against crop loss caused by all of the natural hazards. An insured farmer is guaranteed a specified number of bushels of a specified grade for each insured crop on the farm unit. If production falls below the insurance coverage, the insured is paid the difference at a pre-selected dollar value per bushel.

The Crop Insurance program also provides protection against hail on a spot-loss basis through an endorsement to the basic policy. Through this endorsement, the insured may receive payment for a loss on any part of each insured crop.

The Government of Canada provides financial assistance to the Canada-Alberta Crop Insurance Program by contributing 50 percent of the total premium required each year. The federal government's contribution to this program totalled $49.89 million for 1984. The Government of Alberta contributes all of the administrative costs, plus a premium subsidy in high risk areas, which together totalled $10.54 million in 1984.

1984 Crop Conditions

An early spring allowed farmers in Alberta to begin working their fields in April and by the end of the first week in May seeding was well underway. Progress was significantly ahead of 1983 and the long-term provincial average. Seeding was virtually completed in all parts of the province by June 1st.

Because of favorable moisture conditions in the fall of 1983 a larger than normal acreage was seeded to winter wheat and fall rye, much of which was seeded directly into the stubble. Winterkill on these crops was minimal. Prospects for normal growth on both the fall and spring seeded crops were good, but optimism was tempered by low moisture levels.

A cool, dry spring slowed germination of spring seeded crops which resulted in considerable reseeding in central and southern portions of the province. Heavy rains in the Peace River district in late May caused some flooding but provided badly needed moisture. Southern Alberta remained dry with only temporary relief coming through light rains in mid-June. In central and northern districts conditions improved throughout June and remained relatively good for the remainder of the season.

The combination of drought, high temperatures, strong winds and insect infestation over south-central and southern Alberta proved devastating to most crops. Irrigated crops were not entirely free from this devastation as in most districts water could not be applied fast enough to prevent some crop damage. In the Lethbridge Northern Irrigation District the shut-off of water because of inadequate storage caused serious damage to many crops. The lack of rainfall during the critical period of May and June reduced forage yields on the dryland acreage to almost nil in the drier portions of central and southern Alberta.

Grasshopper infestation was particularly severe in the Lethbridge to Medicine Hat and the Cardston to Claresholm areas. Considerable crop damage was caused by these insects. Hail damage was extreme in central and northern regions resulting in above average loss to grain crops.

Harvesting of the fall seeded crops was largely completed by the end of July with yields being lower than in 1983 but greater than the spring seeded crops. Harvesting was general in the south by mid-August and was near completion by mid-September. Harvesting in central and northern districts was virtually complete by October 15. The Peace River district experienced heavy snow in the late fall and many crops remained unharvested until spring.

The Alberta Wheat Pool reports 1984 provincial per acre yields as follows: Spring Wheat - 692 kgs (25.4 bus.), Soft White Spring Wheat - 1,455 kgs (53.5 bus.), Winter Wheat - 711 kgs (26.1 bus.), Durum Wheat - 492 kgs (18.1 bus.), Oats - 891 kgs (57.8 bus.), Barley - 920 kgs (42.3 bus.), Flax - 358 kgs (14.1 bus.), Fall Rye - 706 kgs (27.8 bus.), and Canola - 441 kgs (19.4 bus.).

The 1984 Crop Insurance Season

Participation in the Crop Insurance program in 1984 showed a 9.4% increase from 1983 in terms of the number of contracts in effect and a 12.1% increase in terms of the acreage of eligible crops insured. The total liability assumed by the basic crop insurance program rose to a record high level of $760,899,000. Indemnity payments of $157,371,100 were paid on 12,201 claims generated under the basic program. When related to the total premium income for the year of $56,165,000 a loss to premium experience of 280.19% was indicated which is by far the greatest loss experienced by this program since its inception in 1965.

The total losses paid in 1984 under the basic crop insurance program and its related endorsements were as follows:

	Number of Claims	Losses
Basic Crop Insurance Program	12,201	$157,371,100
Hail Endorsement	4,709	38,045,623
Unseeded Acreage Endorsement	344	611,344
Reseeding Benefit	1,207	1,518,276
Winterkill Benefit	75	142,567
Hay and Pasture Insurance	965	3,862,310
Honey Insurance Program	19	257,726
Alfalfa Insurance Program	1	18,234
	19,521	$201,827,180

Changes in the Crop Insurance Program

Changes in the Crop Insurance program for 1984 may be summarized as follows:

(1) Price Options

In 1984 price options for the pedigreed seed crops were added.

Price Options per kilogram upon which premiums and indemnities were paid in 1984 were as follows:

Grain Crops	Non-pedigreed		Pedigreed	
	Option #1	Option #2	Option #1	Option #2
	(Dollars Per Kilogram)			
Spring Wheat	.12	.15	.14	.17
Durum Wheat	.12	.15	.14	.17
Utility Wheat	.11	.14	.13	.16
Winter Wheat	.11	.14	.13	.16
Soft Spring Wheat	.11	.14	.13	.16
Oats	.08	.10	.09	.12
Barley	.09	.12	.10	.14
Mixed Grain	.08	.10	—	—
Rye (Spring and Fall)	.08	.13	.09	.15
Canola (Rapeseed)	.20	.26	.24	.31
Mustard	.17	.22	.20	.26
Flax	.20	.27	.24	.32

Special Crops	Option #1	Option #2
Grain Corn	$.123/kg	$.148/kg
Seed Peas	$ .22/kg	$ .26/kg
Dry Beans	$ .37/kg	$ .49/kg
Dryland Potatoes	$88/tonne	$110/tonne
Irrigated Potatoes	$88/tonne	$110/tonne
Pedigreed Seed Alfalfa	$1.65/kg	$2.43/kg
Pedigreed Seed Fescue	$ .66/kg	$1.10/kg

Vegetable Crops	Option #1	Option #2	Option #3
	(Coverage in Dollars Per Acre)		
Peas	$310.10/acre	$332.25/acre	$354.40/acre
Beans	$303.00/acre	$324.50/acre	$346.25/acre
Corn	$241.75/acre	$259.05/acre	$276.35/acre
Carrots	$504.00/acre	$546.00/acre	$588.00/acre

(2) Pedigreed Seed Coverage

Coverage was provided in 1984 for the cereal and oilseed crops as well as for alfalfa and creeping red fescue which were grown as pedigreed seed crops. Price options for these crops for 1984 have been included in No. (1) at left with the other changes in the crop insurance program for 1984.

(3) Soil Classification

Major changes were made in the soil classification of the County of Mountainview because new assessments were available for use in 1984.

(4) Winter Wheat as a Separate Crop in Non-designated Areas

The insurance of winter wheat as a separate crop outside of the area designated by Alberta Agriculture as suitable for the growing of winter wheat was added to the program in 1984. Acceptance of these crops for insurance coverage is dependent on a satisfactory stand being evident in the spring.

(5) Crops Insured Under Individual Coverage

The regulations pertaining to the Individual Coverage program were revised in 1984 to specify that a contractholder who has elected to participate in this program must insure all of the crops which he intends to insure under the Individual Coverage concept. Prior to this change the contractholder had the option of insuring some of his crops under Individual Coverage and others under the Basic program. He now must elect one program or the other for all of his insured crops.

(6) Hay and Pasture Program Expanded

The Hay and Pasture program was expanded in 1984 to include the following new areas: the Counties of Beaver, Minburn and Vermilion River, the Municipal Districts of Acadia, Provost and Wainwright, and Special Area #3.

Coverages were increased under both the one- and two-growth programs by $10 per acre in all rate areas, and rate areas 7 to 11 (inclusive) were designated as areas where the insurance offered would be on the basis of the one-growth period only.

Hay and Pasture Insurance

The Hay and Pasture Insurance program was expanded in 1984 in accordance with the changes in the Crop Insurance program as outlined on page 7 of this report. Coverage levels were also adjusted as indicated under the foregoing changes. Because of the extensive losses under this program in 1983 rates were increased in all rate areas by .5 to 1 percentage points, depending on the extent of the loss in each rate area.

Production for this program is calculated using rainfall data submitted by policyholders and rainfall, temperature and sunshine records from official weather stations. This is done on a daily basis by taking into account the soil moisture and the heat units available for growth. Total production during the growth period is expressed as a percentage of the long-term normal production and then averaged by one-quarter townships.

Two research projects relative to the Hay and Pasture program were initiated by the Corporation in 1983 and continued in 1984. One project is intended to measure the impact of weather upon forage growth, particularly when it is under stress due to the lack of moisture and the presence of strong winds. It is also intended that this impact will be measured as it relates to the various kinds of forage. This project is being conducted at the Alberta Horticultural Station at Brooks with some test plots being located at Lacombe. The second project is being carried out on a number of selected farms in west-central Alberta. This project is also based on a computer model with the intent that the deterioration in the quality of hay due to excessive moisture will be measured.

The Corporation also carried out an extensive clipping program in 1984 as a means of verifying the production results by the computer model. Considerable planning also took place with respect to a bale weighing program as a means of measuring production. This program will be put into operation in 1985.

The Summary of Experience for the Hay and Pasture Insurance program for 1984 and the two previous years is as follows:

	1984	1983	1982
Policyholders	1,107	607	729
Acres Insured	196,752	106,229	122,071
Actual Liability	$11,040,575	$5,805,135	$6,539,250
Total Premiums	$ 1,523,535	$ 755,111	$ 799,148
Number of Claims	965	574	375
Total Awards Paid	$ 3,862,309	$1,718,120	$1,049,857
Loss/Premium Ratio	253.51%	227.53%	131.37%
Loss/Risk Ratio	34.98%	29.60%	16.05%

Alfalfa Insurance Program

A program to provide coverage for alfalfa grown for pelleting was continued in 1984. This program is based in the Falher area where 48,685 acres were under contract to two pelleting plants. Coverage of $36.00 per acre for a premium of $3.65 was available to the producer in 1984. The Government of Canada provides a premium subsidy equal to the farmer's share under this program.

A Summary of Experience for 1984 is as follows:

Policyholders	121
Actual Risk	$1,443,942
Acres Insured	48,685
Net Premium	$ 275,219
Total Claims Paid	$ 20,104
Loss-to-Premium Ratio	7.31%
Loss-to-Risk Ratio	1.39%

Special Assistance to High Risk Areas

The Province of Alberta continued in 1984 to pay all of the farmer's crop insurance premium which is in excess of a 6% premium rate for crops insured at the 60% level of coverage and 7½% for crops insured at the 70% level of coverage. This subsidy which began in 1975 on the basis of one-half of the farmer's premium in excess of the 6% and 7½% levels was increased in 1983 to the levels indicated above. The subsidy is reflected in lower premium rates to farmers in those areas where the need for protection is the greatest. In 1984 the insurance premiums on 2,191,737 acres were subsidized under the agreement to a total of $3,923,579. The total amount of provincial subsidy paid to date under this program is $17,693,638.

Hail Insurance Endorsement

Spot loss hail insurance was again offered in 1984 as an endorsement to the crop insurance contract. This coverage was available to contractholders who had elected the endorsement prior to May 1 on those crops listed on the Report of Seeded Crops.

The 1984 hail endorsement was elected by 19,788 contractholders for a total liability of $665,809,000. A total premium of $40,869,000 was generated and indemnities of $38,004,000 were paid to 4,207 claimants. the loss-to-premium experience under this endorsement of 92.99% was slightly higher than the long-term experience of 87.23%. The experience under this program for 1984 and for previous years is detailed under Appendix B of this report.

Honey Insurance Program

A program to provide insurance coverage for honey production was initiated in 1982. Coverage based upon either 70% or 80% of the five-year average yield for the district concerned was offered in 1984 at an insured value of 58¢ per pound. In this program the producer assumes the risk for the first 65 pounds of production. Premiums for this insurance in 1984 ranged from 4% to 7% at the 70% level of coverage and from 5% to 10% at the 80% level. In this program, the Province of Alberta contributes an amount equal to the producer's premium and pays all of the administrative costs of the program. The Government of Canada does not participate in this program.

A Summary of Experience for 1984 is as follows:

Policyholders	101
Number of Hives Insured	102,790
Actual Risk	$3,081,821
Net Premium	$ 436,613
Number of Claims Paid	19
Total Indemnities	$ 261,354

Alberta Hail and Crop Insurance Corporation

Financial Statements

Financial Statements March 31, 1985

Auditor's Report

Balance Sheet

Statement of Revenue, Expenditure and Reserve – Crop Insurance

Statement of Revenue, Expenditure and Reserve – Hail Insurance

Notes to the Financial Statements

Schedule of Administration Expenses – Crop Insurance

Schedule of Administration Expenses – Hail Insurance

Schedule of Trust Assets and Liabilities

Schedule of Trust Revenue, Expenditure and Unexpended Funds

AUDITOR'S REPORT

To the Board of Directors of the
Alberta Hail and Crop Insurance Corporation

I have examined the balance sheet of the Alberta Hail and Crop Insurance Corporation as at March 31, 1985 and the statements of revenue, expenditure and reserve – crop insurance and revenue, expenditure and reserve – hail insurance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1985 and the results of its operations for the year then ended in accordance with the disclosed basis of accounting, considered appropriate in the circumstances, as described in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

D.W. Rogers, F.C.A.
Auditor General

Edmonton, Alberta
July 2, 1985

BALANCE SHEET
As at March 31, 1985

	1985	1984
ASSETS		
GENERAL		
Current:		
Cash	**$ 438,453**	$ 614,284
Short-term investments (Note 3)	**8,999,000**	88,731,612
Accounts receivable	**1,228,161**	1,786,655
Reinsurance proceeds receivable (Note 4)	**9,907,743**	—
Accrued interest receivable	**240,635**	3,640,557
Prepaid expenses	**27,850**	41,952
Due from Wildlife Damage Fund	**122,321**	—
	20,964,163	94,815,060
Long-term investments (Note 3)	**6,737,973**	6,949,897
Fixed, at cost:		
Automobiles	**102,355**	78,345
Furniture and equipment	**353,469**	302,774
	455,824	381,119
	28,157,960	102,146,076
TRUST		
Schedule 3 (Note 5)	**1,418,729**	1,668,498
	$29,576,689	$103,814,574

The accompanying notes are part of these financial statements.

	1985	1984
LIABILITIES		
GENERAL		
Current:		
Accounts payable	**$ 97,353**	$ 63,592
Crop reinsurance payable (Note 6)	**9,726,257**	52,687
Salaries and commissions payable	**598,506**	303,029
Estimated indemnities payable	**4,320,000**	376,847
Due to Province of Alberta	**130,511**	1,102,775
Premium refunds payable	**—**	1,202,736
	14,872,627	3,101,666
Capital surplus	**455,824**	381,119
Reserves:		
Crop insurance	**—**	85,655,839
Hail insurance	**12,829,509**	13,007,452
	12,829,509	98,663,291
	28,157,960	102,146,076
TRUST		
Schedule 3 (Note 5)	**1,418,729**	1,668,498
	$29,576,689	$103,814,574

STATEMENT OF REVENUE, EXPENDITURE AND RESERVE – CROP INSURANCE
For The Year Ended March 31, 1985

	1985			1984
	Basic Crop Program	Honey Program	Total	
REVENUE				
Premiums charged:				
Insured persons	$ 46,123,809	$224,195	$ 46,348,004	$40,756,454
Province of Alberta (Note 2(b))	3,923,579	219,267	4,142,846	3,973,475
	50,047,388	443,462	50,490,850	44,729,929
Matching portion – Government of Canada (Note 2(c))	49,895,097	—	49,895,097	43,562,776
	99,942,485	443,462	100,385,947	88,292,705
Less: Premiums ceded (Note 7)				
Crop Reinsurance Fund of Canada for Alberta	7,484,265	—	7,484,265	6,534,416
Crop Reinsurance Fund of Alberta	7,484,265	—	7,484,265	6,534,416
	14,968,530	—	14,968,530	13,068,832
Net premium revenue	$ 84,973,955	$443,462	85,417,417	75,223,873
Reinsurance claims (Note 4)			29,907,743	—
Investment Income			7,618,095	8,946,695
			122,943,255	84,170,568
EXPENDITURE				
Indemnities	$208,149,703	$257,726	208,407,429	76,684,315
Add: Returned to (recoveries from) Province of Alberta	—	191,665	191,665	(58,413)
	$208,149,703	$449,391	208,599,094	76,625,902
Administration expenses			6,620,211	5,091,095
			215,219,305	81,716,997
Less: Administration expenses charged to the Province of Alberta (Note 2(d))			6,620,211	5,091,095
			208,599,094	76,625,902
Surplus (deficit) for the year			(85,655,839)	7,544,666
Reserve, beginning of year			85,655,839	78,111,173
Reserve, end of year			$ —	$85,655,839

STATEMENT OF REVENUE, EXPENDITURE AND RESERVE – HAIL INSURANCE
For The Year Ended March 31, 1985

	1985	1984
REVENUE		
Premiums charged	**$16,335,561**	$16,236,188
Deduct: Reinsurance costs	**356,670**	—
Cash discounts allowed	**343,349**	340,132
Premium refunds	**(3,744)**	1,205,573
	696,275	1,545,705
Premiums, net	**15,639,286**	14,690,483
Investment income	**1,485,593**	1,235,223
	17,124,879	15,925,706
EXPENDITURE		
Indemnities	**15,265,006**	11,409,231
Administration expenses, Schedule 2	**2,037,816**	2,121,039
	17,302,822	13,530,270
Surplus (deficit) for the year	**(177,943)**	2,395,436
Reserve, beginning of year	**13,007,452**	10,612,016
Reserve, end of year	**$12,829,509**	$13,007,452

NOTES TO THE FINANCIAL STATEMENTS
March 31, 1985

Note 1 Authority

The Alberta Hail and Crop Insurance Corporation operates under the authority of the Hail and Crop Insurance Act, Chapter H-1, Revised Statutes of Alberta 1980.

Note 2 Significant Accounting Policies

(a) **General**

These financial statements have been prepared in accordance with generally accepted accounting principles except that the cost of furniture, equipment and automobiles is charged to operations in the year of acquisition. The cumulative total of furniture, equipment and automobile purchases is shown in the balance sheet with a corresponding credit shown as capital surplus.

(b) **Premiums – Province of Alberta**

(i) In accordance with Crop Insurance Regulations proclaimed pursuant to the Hail and Crop Insurance Act, the Province of Alberta pays the insured person's portion of premium costs in excess of a stipulated percentage of the dollar coverage on grain and oilseed crops.

(ii) The Province of Alberta has undertaken to underwrite the Honey Program which was initiated in 1982. To this extent, the Province matches the premiums charged to insured persons, and also covers any deficit created by claims exceeding total premiums.

(c) **Premiums – Matching Portion – Government of Canada**

An agreement between the Province of Alberta and the Government of Canada provides for the matching, by the Government of Canada, of crop insurance premiums collected from insured persons. The Corporation recognizes as revenue all premiums on crop policies sold during the year and, in accordance with the terms of this agreement, recognizes as revenue the matching portion of crop insurance premiums as collected.

(d) **Administration Expenses**

The agreement between the Province of Alberta and the Government of Canada providing for the matching of crop insurance premiums by the Government of Canada, also stipulates that all administration expenses relating to the crop insurance program will be met by the Province of Alberta. Certain of these costs are common to both the crop insurance and hail insurance programs and are allocated to the relative programs on the basis of the number of insurance contracts processed each year. Certain office accommodations are provided by the Province of Alberta at no charge and accordingly their costs are not reflected in these financial statements.

(e) **Changes in Financial Position**

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 Investments

Investments are recorded at amortized cost and are summarized as follows:

	1985		1984	
	Short-term	**Long-term**	Short-term	Long-term
Bonds and debentures:				
Government of Canada direct and guaranteed	**$ —**	**$1,317,000**	$ 1,249,542	$1,331,881
Provincial direct and guaranteed	**100,000**	**3,842,486**	195,000	3,924,455
Municipal	**99,000**	**—**	99,750	100,120
Corporate	**—**	**1,178,487**	—	993,941
Guaranteed investment certificates and term deposits	**8,800,000**	**400,000**	87,187,320	599,500
	$8,999,000	**$6,737,973**	$88,731,612	$6,949,897
Approximate market value at March 31	**$8,992,994**	**$6,034,585**	$88,715,752	$5,880,357

Note 4 Reinsurance Proceeds

As a consequence of crop indemnities exceeding the sum of premium receipts during the year and crop reserves at March 31, 1984, the Corporation had to draw proceeds from its reinsurance funds, (see Note 7), in accordance with the Agreement between the Province of Alberta and the Government of Canada. Details are as follows:

	Reinsurance proceeds required	Reinsurance proceeds received	Reinsurance proceeds receivable March 31, 1985
Crop Reinsurance Fund of Alberta	$21,993,282	$20,000,000	$1,993,282
Crop Reinsurance Fund of Canada for Alberta	7,914,461	—	7,914,461
	$29,907,743	$20,000,000	$9,907,743

Note 5 Trust Funds

The Corporation is responsible for the administration of various agricultural related programs of the Province of Alberta and the Government of Canada. These are summarized on Schedules 3 and 4.

Note 6 Crop Reinsurance Payable

Crop reinsurance payable consists of the following:

	1985	1984
Crop Reinsurance Fund of Alberta	$7,484,265	$34,416
Crop Reinsurance Fund of Canada for Alberta	2,241,992	18,271
	$9,726,257	$52,687

Note 7 Crop Reinsurance

In accordance with the terms of the agreement between the Province of Alberta and the Government of Canada, the Corporation is liable for reinsurance premiums to the Crop Reinsurance Fund of Alberta and the Crop Reinsurance Fund of Canada for Alberta. These premiums are based on premiums collected plus the matching portion paid by the Government of Canada. The balances in these funds, as at March 31, which are available to pay future indemnities, are as follows:

	1985	1984
Crop Reinsurance Fund of Alberta	$23,852,720	$38,361,737
Crop Reinsurance Fund of Canada for Alberta	53,717,971	54,148,167
	$77,570,691	$92,509,904

Note 8 Comparative Figures

The 1984 figures have been restated where necessary to conform to 1985 presentation.

Note 9 Approval of Financial Statements

These financial statements have been approved by management.

Schedule 1

SCHEDULE OF ADMINISTRATION EXPENSES – CROP INSURANCE

For The Year Ended March 31, 1985

	1985	1984
Adjusters' wages and expenses	**$2,882,750**	$1,665,795
Salaries and employee benefits	**2,188,888**	2,035,988
Fieldmen's wages and expenses	**363,229**	424,284
Data processing	**220,051**	181,829
Collection commissions and expenses	**156,892**	163,706
Printing, stationery and office supplies	**154,165**	111,909
Advertising	**132,469**	89,943
Directors' fees and expenses	**90,696**	90,428
Office rental costs	**85,710**	83,178
Postage and freight	**84,241**	73,523
Furniture and equipment	**70,612**	22,423
Telephone	**58,924**	52,014
Travel and automobile expenses	**45,289**	52,399
Research	**39,702**	8,562
Grain grading costs	**35,865**	23,189
Miscellaneous	**10,728**	11,925
	$6,620,211	$5,091,095

Schedule 2

SCHEDULE OF ADMINISTRATION EXPENSES – HAIL INSURANCE

For The Year Ended March 31, 1985

	1985	1984
Agents' commissions	**$1,212,670**	$1,253,894
Salaries and employee benefits	**361,486**	414,746
Adjusters' wages and expenses	**180,449**	165,345
Data processing	**68,644**	73,366
Advertising	**64,842**	58,388
Collection commissions and expenses	**30,753**	35,885
Directors' fees and expenses	**30,232**	36,935
Printing, stationery and office supplies	**25,844**	25,255
Postage and freight	**21,866**	24,832
Furniture and equipment	**20,803**	5,425
Travel and automobile expenses	**12,939**	18,962
Telephone	**3,745**	3,847
Miscellaneous	**3,543**	4,159
	$2,037,816	$2,121,039

Schedule 3

SCHEDULE OF TRUST ASSETS AND LIABILITIES

As At March 31, 1985

	1985	1984
ASSETS		
Wildlife Damage Fund:		
Cash	**$ 124,350**	$ 22,718
Accrued interest receivable	**944**	168
Due from the Province of Alberta	**1,255,827**	1,340,813
	1,381,121	1,363,699
Northern Drought Disaster Crop Advance Assistance Program:		
Cash	**37,608**	54,799
Term deposit	**—**	250,000
	37,608	304,799
	$1,418,729	$1,668,498
LIABILITIES		
Wildlife Damage Fund:		
Accounts payable	**$ 58,800**	$ 135,598
Estimated claims payable	**1,200,000**	1,228,101
Due to general	**122,321**	—
	1,381,121	1,363,699
Northern Drought Disaster Crop Advance Assistance Program:		
Unexpended funds	**37,608**	304,799
	$1,418,729	$1,668,498

Schedule 4

SCHEDULE OF TRUST REVENUE, EXPENDITURE AND UNEXPENDED FUNDS

For The Year End March 31, 1985

	1985	1984
Wildlife Damage Fund:		
Revenue		
Contributions from the Province of Alberta	$2,617,549	$1,341,050
Interest income	7,777	4,480
Other	475	369
	2,625,801	1,345,899
Expenditure		
Claims	2,476,985	1,254,793
Administration expenses	148,816	91,106
	2,625,801	1,345,899
Excess of revenue over expenditure	—	—
Unexpended funds, beginning of year	—	—
Unexpended funds, end of year	$ —	$ —
Northern Drought Disaster Crop Advance Assistance Program:		
Revenue		
Interest income	$ 34,295	$ 72,436
Advances recovered (see Note)	129,396	165,157
	163,691	237,593
Expenditure		
Contributions returned to the Province of Alberta	346,281	1,538,149
Refunds to claimants	84,598	60,081
Adjusting expenses	—	30,326
Administration expenses	3	12,974
	430,882	1,641,530
Excess of expenditure over revenue	(267,191)	(1,403,937)
Unexpended funds, beginning of year	304,799	1,708,736
Unexpended funds, end of year	$ 37,608	$ 304,799

Note: Advances to claimants are forgivable at the rate of ⅓ per year for each of the 3 crop years, 1983, 1984 and 1985, in which the claimant carries crop insurance with the Corporation. Advances to claimants are considered to be recoverable as a result of non-compliance with conditions of the advance. Under certain conditions, recovered advances may be refunded to claimants. Recoverable amounts are recognized in the accounts when received. Details are as follows:

Recovery Agent	Recoverable advances outstanding March 31, 1984	Advances determined to be recoverable during year	Advances recovered during year	Recoverable advances forgiven	Recoverable advances outstanding March 31, 1985
Alberta Hail and Crop Insurance Corporation	$ 80,570	$280,715	$83,115	$231,172	$46,998
Province of Alberta	168,799	151,438	46,281	—	273,956
	$249,369	$432,153	$129,396	$231,172	$320,954

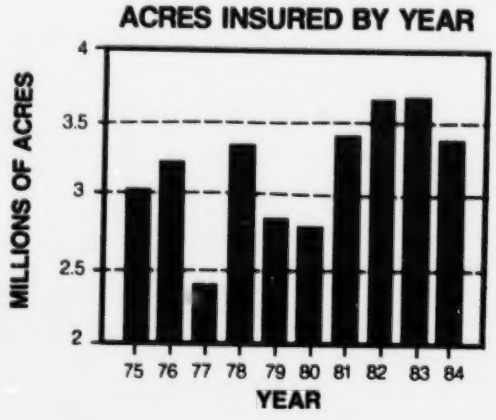
APPENDIX A

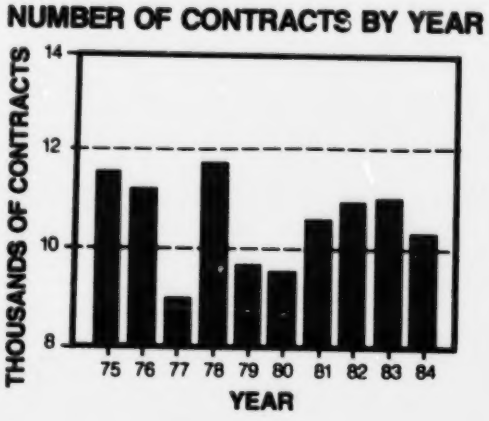
Alberta Hail Insurance Program

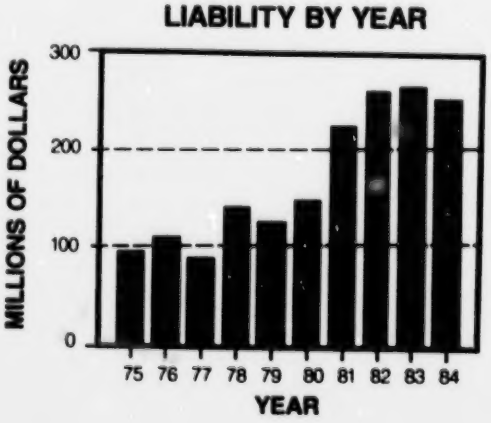
COMPARATIVE HAIL INSURANCE STATISTICS

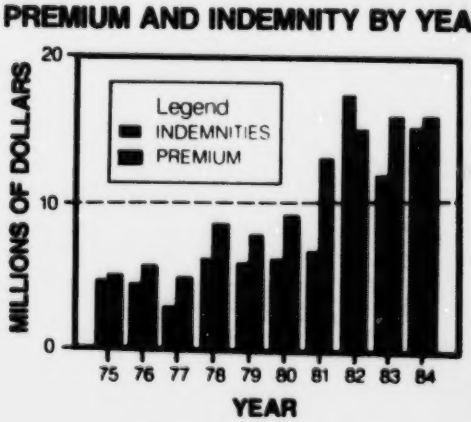
	1982	1983	1984	47-Year Average
Applications Received	10,621	11,014	10,322	—
Acreage Insured	3,669,500	3,692,440	3,393,799	2,445,483
Actual Risk Written	$262,552,900	$267,131,353	$254,794,517	$54,380,245
Net Premium Income	$ 15,123,405	$ 15,983,238	$ 15,992,212	$ 3,443,916
No. of Days with Hail	35	60	50	51
Claims Received	2,361	1,726	2,025	2,193
Awards Paid	$ 17,522,054	$ 12,042,242	$ 15,265,005	$ 2,559,326
Loss-to-Risk Ratio	6.67%	4.51%	5.99%	4.71%
Loss-to-Premium Ratio	115.90%	75.34%	95.45%	74.31%

Hail Insurance Program









APPENDIX B

Canada - Alberta Crop Insurance Program

COMPARATIVE CROP INSURANCE STATISTICS

1984 PARTICIPATION AND EXPERIENCE FOR GRAIN, OILSEED, PEDIGREED AND SPECIALTY CROPS

RISK AREA	NO. OF POLICIES	BASIC CROP ADJUSTED LIABILITY	BASIC CROP PREMIUM	NO. OF BASIC CROP CLAIMS PAID	BASIC CROP LOSSES PAID	BASIC CROP L/P RATIO	POLICYHOLDERS WITH HAIL ENDORSEMENT
1	1,150	$ 66,951,000	$ 3,766,000	1,077	$ 40,838,000	1,084.39%	1,092
2	1,189	54,821,000	3,131,000	1,037	20,913,000	667.93%	1,109
3	1,555	77,261,000	5,140,000	1,089	19,379,000	377.02%	1,478
4	1,375	54,280,000	3,381,000	748	9,997,000	295.68%	1,215
5	2,772	135,863,000	5,720,000	1,878	37,263,000	651.45%	2,591
6	2,008	67,859,000	2,946,000	451	4,815,000	163.44%	1,998
7	997	18,311,000	1,444,000	209	765,000	52.98%	980
8	3,980	117,921,000	7,964,000	1,159	6,601,000	82.89%	3,705
9	559	10,421,000	1,532,000	192	795,000	51.89%	533
10	1,080	17,285,000	1,986,000	206	915,000	46.07%	987
11	3,477	77,698,000	14,192,000	1,430	13,588,000	95.74%	2,537
12	1,570	60,074,000	4,631,000	1,186	17,911,000	387.00%	1,402
13	116	1,019,000	165,000	30	69,000	41.82%	105
14	71	1,074,000	167,000	29	83,000	49.70%	56
	21,939	$760,838,000	$56,165,000	10,721	$173,943,000	309.70%	19,788

CUMULATIVE EXPERIENCE FOR GRAIN, OILSEED, PEDIGREED AND SPECIALTY CROPS

(1965-1984 Inclusive for Basic Crop; 1973-1984 Inclusive for Hail Endorsement)

RISK AREA	BASIC CROP ADJUSTED LIABILITY	BASIC CROP PREMIUM*	BASIC CROP LOSSES PAID	BASIC CROP L/P RATIO
1	$ 377,257,000	$ 23,619,000	$ 55,840,000	236.42%
2	378,468,000	27,292,000	35,681,000	130.74%
3	408,869,000	40,362,000	37,174,000	92.10%
4	331,776,000	26,964,000	26,039,000	96.57%
5	935,924,000	53,161,000	61,545,000	115.77%
6	414,274,000	25,522,000	18,740,000	73.43%
7	103,2326,000	9,159,000	9,352,000	102.11%
8	680,769,000	57,337,000	49,717,000	86.71%
9	65,196,000	10,732,000	7,239,000	67.45%
10	123,403,000	14,380,000	11,215,000	77.99%
11	406,785,000	68,460,000	56,332,000	82.28%
12	327,419,000	35,289,000	32,777,000	92.88%
13	6,334,000	1,182,000	771,000	65.23%
14	5,325,000	1,098,000	724,000	65.94%
	$4,565,035,000	$394,557,000	$403,146,000	102.18%

*Includes Federal Contribution and Provincial High Risk Subsidies.

HAIL ENDORSEMENT LIABILITY	HAIL ENDORSEMENT PREMIUM	NO. OF HAIL ENDORSEMENT CLAIMS PAID	HAIL ENDORSEMENT LOSSES PAID	HAIL ENDORSEMENT L/P RATIO	TOTAL PREMIUM	TOTAL LOSSES	TOTAL L/P RATIO
$ 59,140,000	$ 3,058,000	70	$ 483,000	15.79%	$ 6,824,000	$ 41,321,000	605.52%
47,742,000	2,476,000	114	906,000	36.59%	5,607,000	21,819,000	389.14%
69,620,000	3,866,000	133	996,000	25.76%	9,006,000	20,375,000	226.24%
48,667,000	3,024,000	596	7,477,000	247.26%	6,405,000	17,474,000	272.82%
120,159,000	9,294,000	805	9,011,000	96.96%	15,014,000	46,274,000	308.21%
63,900,000	6,247,000	739	7,551,000	120.87%	9,193,000	12,366,000	134.52%
17,358,000	1,025,000	194	579,000	56.49%	2,469,000	1,344,000	54.43%
104,943,000	6,011,000	845	6,858,000	114.09%	13,975,000	13,459,000	96.31%
9,308,000	398,000	51	254,000	63.82%	1,930,000	1,049,000	54.35%
15,729,000	860,000	197	1,055,000	122.67%	2,846,000	1,970,000	69.22%
56,343,000	2,245,000	221	807,000	35.95%	16,437,000	14,395,000	87.58%
51,604,000	2,298,000	233	2,012,000	87.55%	6,929,000	19,934,000	287.69%
794,000	48,000	6	5,000	10.42%	213,000	74,000	34.74%
502,000	19,000	3	10,000	52.63%	186,000	93,000	50.00%
$ 665,809,000	$ 40,869,000	4,207	$ 38,004,000	92.99%	$ 97,034,000	$211,947,000	218.43%

HAIL ENDORSEMENT LIABILITY	HAIL ENDORSEMENT PREMIUM	HAIL ENDORSEMENT LOSSES PAID	HAIL ENDORSEMENT L/P RATIO	TOTAL PREMIUM	TOTAL LOSSES	TOTAL L/P RATIO
$ 276,713,000	$ 13,351,000	$ 9,858,000	73.84%	$ 36,970,000	$65,698,000	177.71%
248,477,000	11,195,000	11,093,000	99.09%	38,487,000	46,774,000	121.53%
298,675,000	14,557,000	15,868,000	109.01%	54,919,000	53,042,000	96.58%
216,434,000	12,548,000	14,790,000	117.87%	39,512,000	40,829,000	103.33%
607,376,000	44,215,000	28,709,000	117.87%	39,512,000	40,829,000	103.33%
307,543,000	26,702,000	26,137,000	97.88%	52,224,000	44,877,000	85.93%
77,718,000	4,445,000	3,837,000	86.32%	13,604,000	13,189,000	96.95%
449,893,000	22,009,000	25,128,000	114.17%	79,346,000	74,845,000	94.33%
43,392,000	1,605,000	$1,324,000	82.49%	12,337,000	8,563,000	69.41%
76,791,000	4,064,000	3,070,000	75.54%	18,444,000	14,285,000	77.45%
226,688,000	8,316,000	4,008,000	48.20%	76,776,000	60,340,000	78.59%
229,733,000	10,142,000	7,316,000	72.14%	45,431,000	40,093,000	88.25%
4,531,000	247,000	136,000	55.06%	1,429,000	907,000	63.47%
2,734,000	85,000	51,000	60.00%	1,183,000	775,000	65.51%
$3,066,698,000	$173,481,000	$151,325,000	87.23%	$568,038,000	$554,471,000	97.61%

1984 SUMMARY OF EXPERIENCE FOR GRAIN AND OILSEED CROPS
(Excluding the Hail Endorsement)

CROP	-NON-PEDIGREED- PREMIUM*	LOSS	L/P RATIO	-PEDIGREED- PREMIUM*	LOSS	L/P RATIO
Spring Wheat	$ 19,006,216	$ 66,305,383	348.86%	$ 94,896	$190,750	201.01%
Oats	2,256,678	4,631,646	205.24%	17,112	44,625	260.78%
Barley	15,719,076	52,441,963	333.62%	149,715	231,284	154.48%
Flax	282,165	1,222,001	433.08%	5,153	17,209	333.96%
Fall Rye	79,982	153,870	192.38%	268	0	0.00%
Rapeseed	13,574,488	28,093,187	206.96%	117,799	104,396	88.62%
Spring Rye	18,697	38,034	203.42%	0	0	ERR
Mustard	225,050	1,679,130	746.11%	291	3,591	1,234.02%
Mixed Grain	271,950	697,927	256.64%	0	0	ERR
Winter Wheat	432,190	1,513,761	350.25%	0	0	ERR
Utility Wheat	289,425	2,078,727	718.23%	9,157	19,446	212.36%
Durum Wheat	1,875,357	12,094,582	644.92%	9,802	51,688	527.32%
Soft White Spring Wheat	1,180,279	1,791,406	151.78%	14,532	1,530	10.53%
TOTAL	$ 55,211,553	$172,741,617	312.87%	$418,725	$664,519	158.70%

* Includes Federal Contribution and Provincial High Risk Subsidies

1984 INSURED ACREAGE FOR GRAIN AND OILSEED CROPS
(Non-Pedigreed and Pedigreed)

RISK AREA	SPRING WHEAT	OATS	BARLEY	FLAX	FALL RYE	SPRING RYE	RAPESEED
1	270,199	18,149	364,270	3,291	5,757	0	50,520
2	257,898	4,024	116,492	6,592	2,534	0	51,840
3	331,980	2,766	42,903	7,001	215	25	42,072
4	417,081	27,273	102,278	4,659	1,059	735	130,050
5	521,159	33,295	505,936	4,863	8,112	40	269,589
6	63,912	24,130	445,848	0	587	161	178,650
7	37,046	30,121	132,534	410	121	0	33,569
8	587,800	74,887	376,630	3,107	387	2,589	511,665
9	30,180	11,647	61,286	195	0	0	52,413
10	32,410	28,123	142,070	390	0	0	36,107
11	421,764	39,285	388,301	4,337	759	0	466,533
12	596,672	36,354	26,885	2,218	1,105	1,922	12,798
13	1,649	3,235	8,328	30	0	0	3,110
14	2,279	1,795	8,308	0	0	0	4,308
Province	3,574,029	335,084	2,722,069	37,453	20,636	5,472	1,843,224

CUMULATIVE EXPERIENCE FOR GRAIN AND OILSEED CROPS
(Excluding the Hail Endorsement)

CROP**	-NON-PEDIGREED- PREMIUM*	LOSS	L/P RATIO	-PEDIGREED- PREMIUM*	LOSS	L/P RATIO
Spring Wheat	$153,310,637	$142,208,073	92.76%	$ 94,896	$190,750	201.01%
Oats	20,879,093	20,231,332	96.90%	17,112	44,625	260.78%
Barley	125,084,284	130,374,267	104.23%	149,715	231,284	154.48%
Flax	3,015,697	3,425,246	113.58%	5,153	17,209	333.96%
Fall Rye	1,061,481	567,974	53.51%	268	0	0.00%
Rapeseed	69,239,729	74,571,136	107.70%	117,799	104,396	88.62%
Spring Rye	172,171	112,846	65.54%	0	0	ERR
Mustard	1,415,822	2,398,680	169.42%	291	3,591	1,234.02%
Mixed Grain	2,084,902	2,368,929	113.62%	0	0	ERR
Winter Wheat	2,349,025	2,566,835	109.27%	0	0	ERR
Utility Wheat	2,220,838	3,425,004	154.22%	9,157	19,446	212.36%
Durum Wheat	8,300,101	14,259,527	171.80%	9,802	51,688	527.32%
Soft White Spring Wheat	2,726,484	2,814,255	103.22%	14,532	1,530	10.53%
TOTAL	$391,860,264	$399,324,104	101.90%	$418,725	$664,519	158.70%

** By Crops, Insurance Was First Offered As Follows:-

1965 - Wheat, Oats and Barley
1969 - Rapeseed
1971 - Flaxseed
1974 - Fall Rye
1975 - Winter Wheat, Spring Rye, Mustard and Mixed Grain
1976 - Utility Wheat
1980 - Durum Wheat
1982 - Soft White Spring Wheat
1984 - Pedigreed Seed

* Includes Federal Contribution and Provincial High Risk Subsidies

MUSTARD	MIXED GRAIN	DURUM WHEAT	WINTER WHEAT	SWS WHEAT	UTILITY WHEAT	RISK AREA TOTAL
9,173	2,592	37,745	27,582	3,203	4,943	797,424
13,689	1,504	101,416	19,147	27,284	11,425	614,205
17,818	347	130,343	19,425	101,697	5,777	702,369
2,645	2,631	3,258	3,584	156	1,364	696,773
6,653	3,920	8,007	3,722	5,710	18,943	1,389,949
0	5,978	0	341	0	155	719,782
0	4,652	0	100	0	0	238,553
180	5,999	137	0	0	2,094	1,565,475
0	522	0	0	95	0	156,338
0	2,115	0	0	0	0	241,215
0	260	0	510	0	0	1,321,749
2,137	8,506	77,832	5,860	15,157	891	790,749
0	496	0	0	0	0	16,848
0	30	0	0	225	0	16,945
52,295	39,552	358,738	80,271	153,527	45,592	9,267,942

1984 SUMMARY OF EXPERIENCE FOR SPECIAL CROPS

CROP	NUMBER INSURED	ACRES INSURED	BASIC PREMIUM*	BASIC LIABILITY	NO. OF LOSSES	BASIC LOSSES	BASIC L/P RATIO
Seed Peas	51	4,114	$ 57,700	$ 636,012	8	$ 49,207	85.28%
Dry Beans	65	4,617	90,961	947,470	7	66,688	73.31%
Potatoes	31	6,233	178,768	4,947,276	6	193,544	108.27%
Grain Corn	28	6,796	163,993	1,618,300	14	198,158	120.83%
PS Alfalfa	20	1,881	33,466	379,718	8	21,569	64.45%
PS Fescue	8	736	9,669	71,312	1	1,120	11.58%
	203	24,377	$ 534,557	$ 8,600,088	44	$ 530,286	99.20%

CUMULATIVE SUMMARY OF EXPERIENCE FOR SPECIAL CROPS
(Seed Peas, Dry Beans 1976-1984; Potatoes 1975-1984; Grain Corn 1981-1984)

CROP	NO. OF INSUREDS	ACRES INSURED	BASIC PREMIUM*	BASIC LIABILITY	NO. OF LOSSES	BASIC LOSSES	BASIC L/P RATIO
Seed Peas	296	19,735	$ 231,720	$ 2,392,917	16	$ 86,367	37.27%
Dry Beans	573	42,881	806,619	8,113,136	42	599,419	74.31%
Potatoes	227	31,869	708,728	15,391,626	17	470,583	66.40%
Grain Corn	81	18,433	433,292	4,259,544	36	451,180	104.13%
PS Alfalfa	20	1,881	33,466	379,718	8	21,569	64.45%
PS Fescue	8	736	9,669	71,312	1	1,120	11.58%
	1,205	115,535	$2,223,494	$30,608,253	120	$1,630,238	73.32%

1984 SUMMARY OF EXPERIENCE FOR PROCESSING VEGETABLE CROPS

CROP	NO. OF INSUREDS	ACRES INSURED	BASIC PREMIUM*	BASIC LIABILITY	NO. OF LOSSES	BASIC LOSSES	BASIC L/P RATIO
Peas	83	3,733	$ 128,224	$ 1,304,791	21	$ 106,209	82.83%
Beans	13	375	17,868	129,847	2	4,121	23.06%
Corn	0	0	0	0	0	0	ERR
Carrots	3	24	1,310	13,440	2	7,897	602.82%
	99	4,132	$ 147,402	$ 1,448,078	25	$ 118,227	80.21%

CUMULATIVE SUMMARY OF EXPERIENCE FOR PROCESSING VEGETABLE CROPS
(Peas 1968-1984; Beans 1971-1984; Corn 1973-1984; Carrots 1979-1984; Pedigreed Seed Alfalfa and Fescue 1984)

CROP	NO. OF INSUREDS	ACRES INSURED	BASIC PREMIUM*	BASIC LIABILITY	NO. OF LOSSES	BASIC LOSSES	BASIC L/P RATIO
Peas	1,357	65,693	$1,132,835	$11,376,809	179	$1,059,918	93.56%
Beans	230	7,564	221,378	1,495,531	54	175,412	79.24%
Corn	378	25,137	532,179	4,479,412	67	442,605	83.17%
Carrots	20	92	20,394	119,570	3	8,790	43.10%
	1,985	98,486	$1,906,786	$17,471,322	303	$1,686,725	88.46%

*Includes Federal Contribution

HAIL ENDORSEMENT NO. INSURED	HAIL ENDORSEMENT PREMIUM*	HAIL ENDORSEMENT LIABILITY	NO. OF LOSSES	HAIL ENDORSEMENT LOSSES	HAIL ENDORSEMENT L/P RATIO	TOTAL PREMIUM*	TOTAL LOSSES	TOTAL L/P RATIO
49	$ 38,456	$ 626,297	1	$ 43,247	112.46%	$ 96,156	$ 92,454	96.15%
47	40,218	683,133	2	10,380	25.81%	131,179	77,068	58.75%
27	221,011	3,891,739	3	35,239	15.94%	399,799	$228,783	57.23%
27	98,247	1,605,321	3	12,175	12.39%	262,240	210,333	80.21%
16	13,269	264,298	0	0	0.00%	46,735	21,569	46.15%
4	1,476	36,846	0	0	0.00%	11,145	1,120	10.05%
170	$ 412,677	$ 7,107,634	9	$ 101,041	24.48%	$ 947,234	$ 631,327	66.65%

HAIL ENDORSEMENT NO. INSURED	HAIL ENDORSEMENT PREMIUM*	HAIL ENDORSEMENT LIABILITY	NO. OF LOSSES	HAIL ENDORSEMENT LOSSES	HAIL ENDORSEMENT L/P RATIO	TOTAL PREMIUM*	TOTAL LOSSES	TOTAL L/P RATIO
249	$ 123,957	$ 2,052,202	32	$ 182,178	146.97%	$ 355,677	$ 268,545	75.50%
307	210,962	3,933,137	52	366,377	173.67%	1,017,581	965,796	94.91%
155	758,502	12,442,438	28	695,516	91.70%	1,467,230	1,166,099	79.48%
75	241,472	4,094,268	15	211,345	87.52%	674,764	622,525	98.19%
16	13,269	264,298	0	0	0.00%	46,735	21,569	46.15%
4	1,476	36,846	0	0	0.00%	11,145	1,120	10.05%
806	$1,349,638	$22,823,189	127	$1,455,416	107.84%	$3,573,132	$3,085,654	86.36%

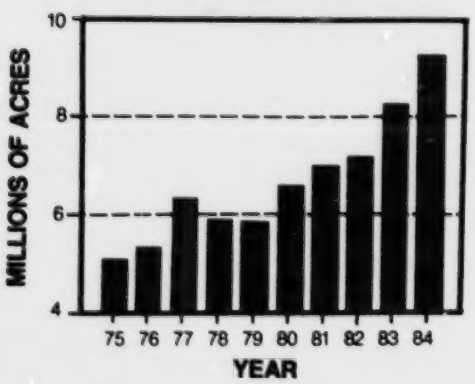
HAIL ENDORSEMENT IS NOT AVAILABLE FOR VEGETABLE CROPS

SUMMARY OF EXPERIENCE FOR BASIC PROGRAM AND HAIL ENDORSEMENT FOR ALL CROPS BY YEAR

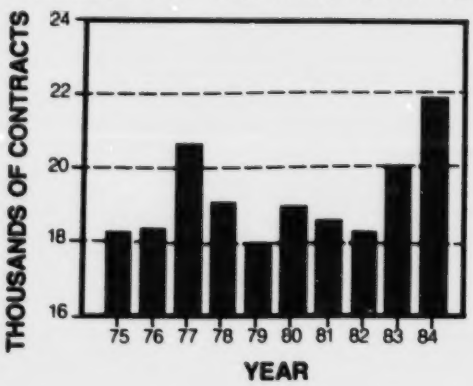
(Hail Endorsement available since 1973)

YEAR	NO. OF INSUREDS	ACRES INSURED '000	TOTAL LIABILITY '000	-PREMIUMS PAID BY INSUREDS- BASIC '000	HAIL ENDORSEMENT '000	TOTAL '000
1965	1,312	250	$ 3,232	$ 218		$ 218
66	4,408	991	13,460	753		753
67	9,892	2,271	36,857	1,930		1,930
68	15,763	3,910	63,950	3,449		3,449
69	16,201	3,561	57,105	3,135		3,135
70	12,856	2,306	31,941	2,102		2,102
71	11,323	2,429	33,310	2,173		2,173
72	10,202	2,314	37,073	2,146		2,146
73	12,296	3,201	73,399	2,830	$ 1,165	3,995
74	13,883	3,838	125,863	5,255	1,974	7,229
75	18,685	5,113	215,976	10,328	3,371	13,699
76	18,580	5,343	229,289	11,484	3,790	15,274
77	20,878	6,301	279,520	13,631	4,846	18,476
78	19,258	5,908	259,967	13,466	4,756	18,222
79	18,253	5,882	280,471	14,069	5,567	19,636
80	18,862	6,640	381,048	18,150	8,568	26,718
81	16,638	7,009	483,148	21,361	11,223	32,584
82	18,323	7,204	547,384	22,127	12,851	34,978
83	20,050	8,289	663,600	26,412	16,647	43,059
84	21,939	9,292	760,839	28,082	20,434	48,516
	301,602	92,052	$4,577,432	$203,101	$95,192	$298,292

CROP INSURANCE PROGRAM
ACRES INSURED BY YEAR

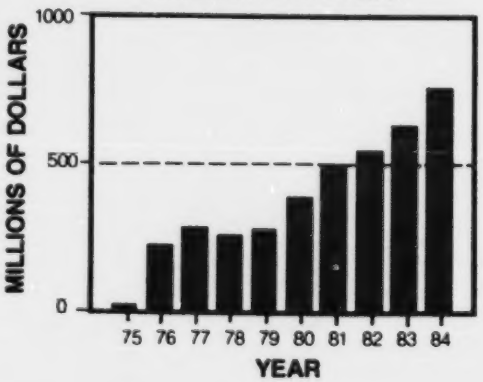


NUMBER OF CONTRACTS BY YEAR

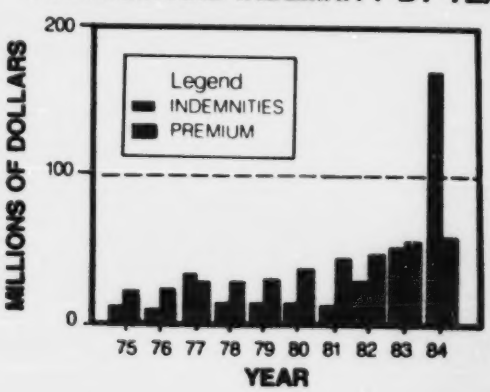


-PREMIUMS PAID BY CANADA-				-INDEMNITIES-			
BASIC '000	HAIL ENDORSEMENT '000	TOTAL '000	TOTAL PREMIUMS '000	BASIC '000	HAIL ENDORSEMENT '000	TOTAL '000	L/P RATIO
$ 73		$ 73	$ 291	$ 48		$ 48	16.49%
251		251	1,004	315		315	31.37
643		643	2,573	1,200		1,200	46.64
1,150		1,150	4,598	5,508		5,508	119.79
1,045		1,045	4,180	6,298		6,298	150.63
699		699	2,801	1,699		1,699	60.67
753		753	2,926	2,410		2,410	82.37
656		656	2,802	2,119		2,119	75.62
2,830	$ 1,165	3,995	7,990	5,671	$ 765	6,436	80.55
5,255	1.974	7,229	14,458	11,695	2,111	13,806	95.49
10,329	3,371	13,700	27,399	11,284	7,072	18,320	66.86
11,485	3,790	15,275	30,549	9,692	6,808	16,500	54.01
13,632	4,846	18,478	36,954	33,225	4,905	38,130	103.18
13,466	4,756	18,222	36,444	14,791	7,895	22,686	62.25
14,069	5,567	19,636	39,272	14,129	12,717	26,846	68.35
18,150	8,568	26,718	53,436	14,741	17,285	32,026	59.93
21,361	11,223	32,584	65,168	13,110	13,680	26,790	41.11
22,127	12,851	34,978	69,956	30,615	31,796	62,411	89.22
26,412	16,647	43,059	86,118	51,208	25,405	76,613	88.96
28,082	20,434	48,516	97,032	173,943	38,003	211,946	218.43
$192,468	$95,192	$287,660	$585,951	$403,701	$168,442	$572,143	97.64%

LIABILITY BY YEAR



PREMIUM AND INDEMNITY BY YEAR



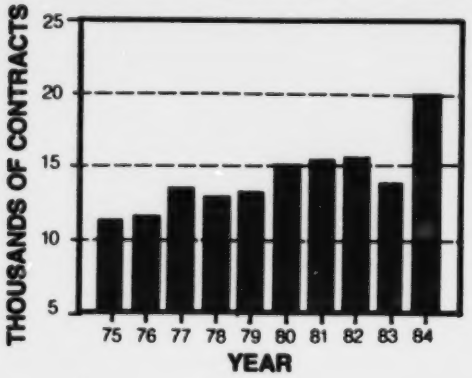
1984 HAIL ENDORSEMENT EXPERIENCE BY GRAIN AND OILSEED CROPS
(Non-Pedigreed and Pedigreed)

CROP	ACRES	TOTAL RISK	TOTAL PREMIUM*	TOTAL LOSS	HARVEST ALLOWANCE	L/R RATIO	L/P RATIO
Spring Wheat	3,047,236	$245,314,574	$12,658,098	$10,519,549	$146,299	4.29%	83.11%
Oats	280,130	14,485,624	800,397	893,360	16,378	6.17%	111.61%
Barley	2,420,638	191,439,904	11,761,048	12,095,970	181,345	6.32%	102.85%
Flax	32,949	3,012,421	165,455	174,231	1,389	5.78%	105.30%
Fall Rye	19,586	1,378,710	90,667	88,015	563	6.38%	97.08%
Rapeseed	1,648,793	135,156,826	11,382,185	12,614,589	235,093	9.33%	110.83%
Spring Rye	4,556	150,950	6,979	21,920	173	14.52%	314.09%
Mustard	49,893	3,494,219	247,717	235,712	5,115	6.75%	95.15%
Mixed Grain	36,078	2,096,757	133,882	112,266	1,096	5.35%	83.85%
Winter Wheat	76,467	7,074,298	331,078	37,740	0	0.53%	11.40%
Utility Wheat	41,193	4,236,493	241,895	103,617	686	2.45%	42.84%
Durum Wheat	316,943	25,539,166	1,187,792	360,192	7,311	1.41%	30.32%
SWS Wheat	142,818	25,322,189	1,448,060	644,447	4,056	2.54%	44.50%
	8,117,280	$658,702,131	$40,455,253	$37,901,608	$599,504	5.75%	93.69%

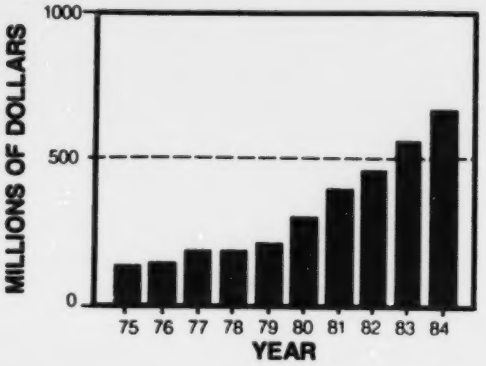
*Includes Federal Contribution

Hail Endorsement to the Crop Insurance Program

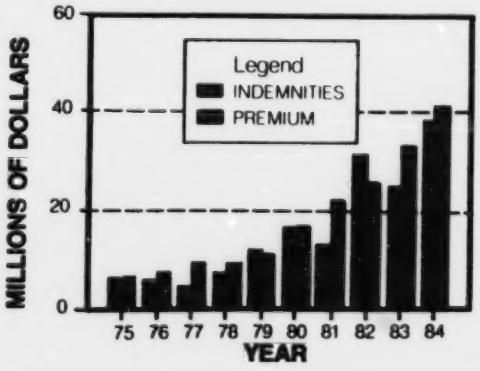
NUMBER OF CONTRACTS BY YEAR



LIABILITY BY YEAR

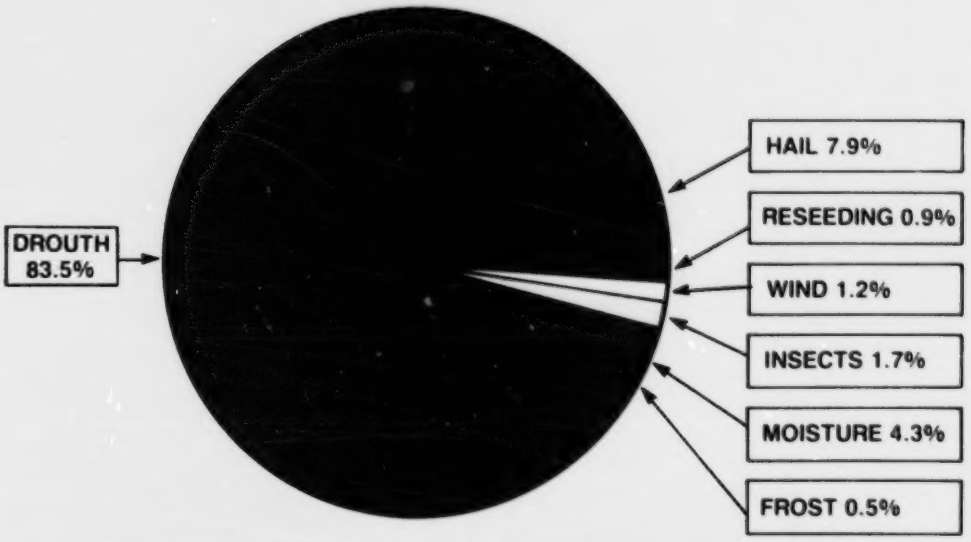


PREMIUM AND INDEMNITY BY YEAR



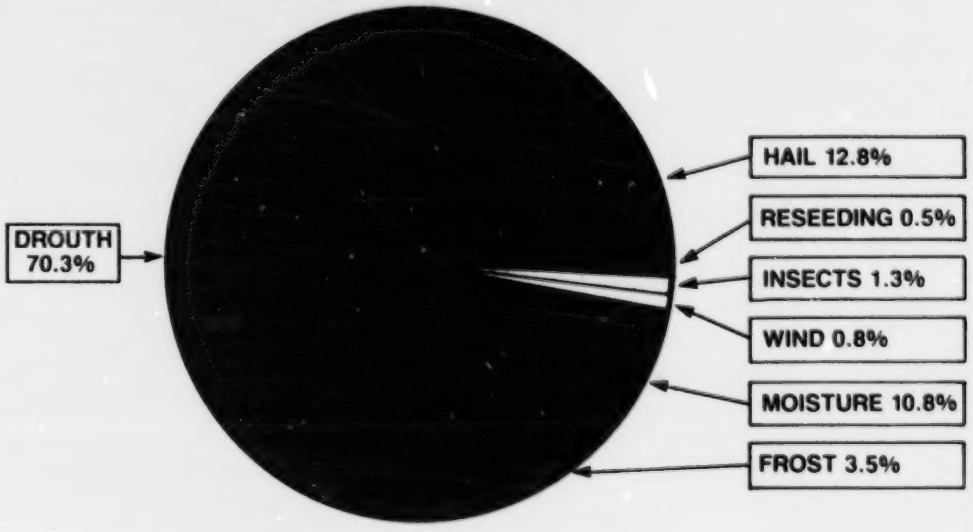
DISTRIBUTION OF LOSSES UNDER BASIC CROP INSURANCE PROGRAM
(excluding Hail Endorsement)

1984 CROP YEAR

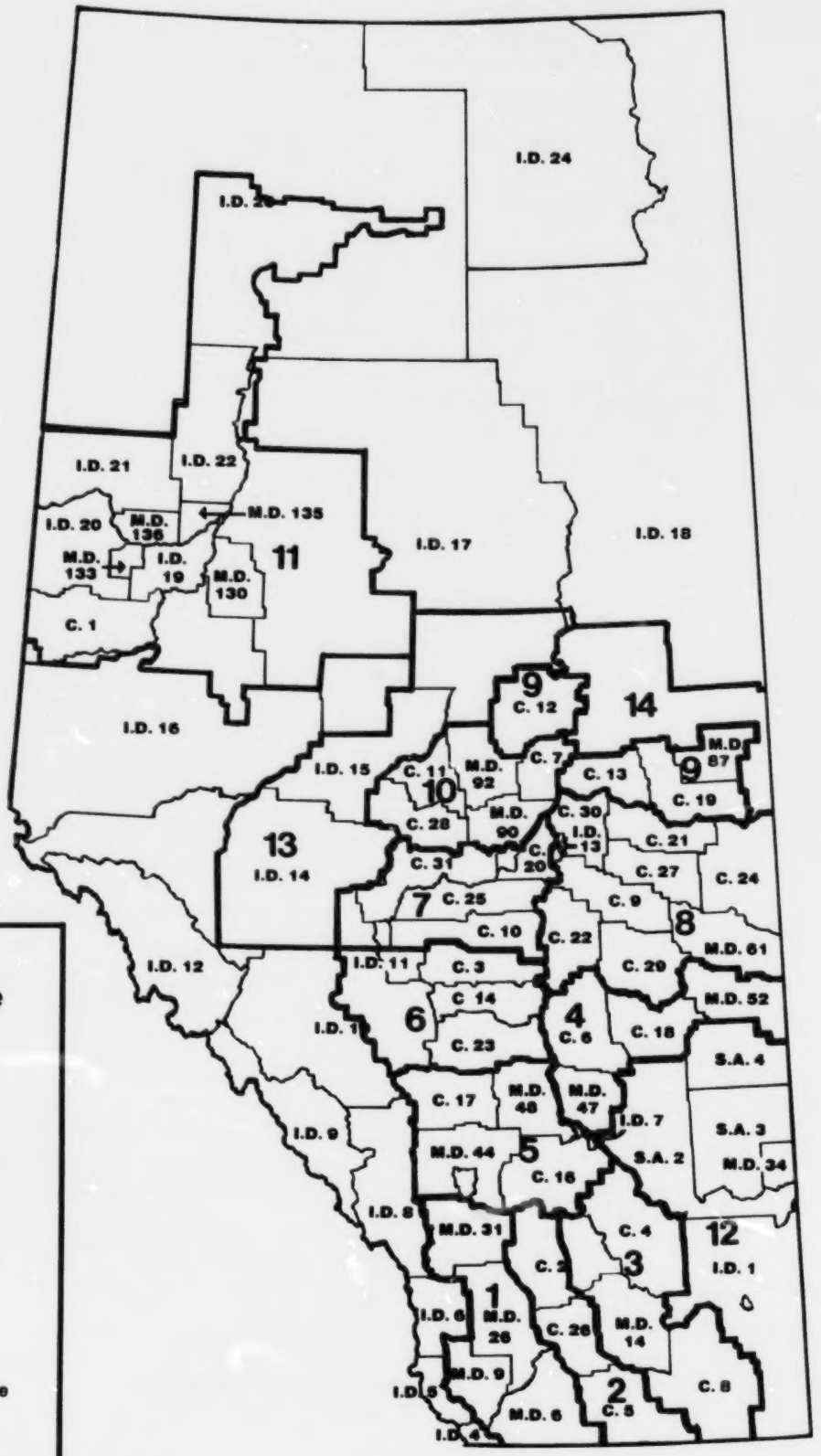


VALUE OF LOSSES IS $173,943,000 PROVINCIAL TOTAL

1979-84 CROP YEARS



VALUE OF LOSSES IS $290,076,853 PROVINCIAL TOTAL



Crop Insurance Risk Areas

1. High River - Cardston
2. Vulcan - Warner
3. Taber - Forty Mile
4. Drumheller - Provost
5. Calgary North
6. Red Deer - Ponoka
7. Edmonton South
8. Camrose - Vermilion
9. Athabasca - St. Paul
10. Edmonton North
11. Peace River
12. Special Areas
13. Edson - Slave Lake
14. Lac La Biche - Cold Lake

Alberta Hail and Crop Insurance Corporation

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Auditor:

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Auditor General - Province of Alberta